

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0061-01  
Bill No.: HB 50  
Subject: Education, Elementary and Secondary: Promotion of elementary pupils  
Type: Original  
Date: January 8, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
General Revenue	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
State School Moneys	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(Greater Than \$100,000)</b>	<b>(Greater Than \$100,000)</b>	<b>(Greater Than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Local Government</b>	<b>(\$500,000)</b>	<b>(\$500,000)</b>	<b>(\$500,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** estimated costs of \$500,000 to school districts for designing reading improvement plans, thirty (30) hours of additional instruction or practice outside of regular school days during forth grade, subsequent assessments, and increased summer school enrollments.

DESE officials assume there could be some additional state aid going to districts due to a potential increase in summer school enrollments. On a statewide basis, the amount would be estimated to be in excess of \$100,000 per year, but DESE officials indicated the precise amount could not be estimated. (For example 400 additional students would cause about \$108,000 in additional aid.)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Increased Transfers to State School Moneys Fund	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Greater than \$100,000)</u></b>	<b><u>(Greater than \$100,000)</u></b>	<b><u>(Greater than \$100,000)</u></b>
<b>STATE SCHOOL MONEYS FUND</b>			
<u>Income</u> - Transfers from General Revenue Fund	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<u>Cost</u> - Increased Distributions to School Districts	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>SCHOOL DISTRICTS</b>			
<u>Income</u> - Increased State Aid for Summer School	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<u>Cost</u> - Reading Improvement Plan Development, Remediation, Assessments	(\$500,000)	(\$500,000)	(\$500,000)
<u>Cost</u> - Summer School	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)

FISCAL IMPACT - Local Government

FY 2002  
(10 Mo.)

FY 2003

FY 2004

**ESTIMATED NET EFFECT ON  
SCHOOL DISTRICTS**

**(\$500,000)**

**(\$500,000)**

**(\$500,000)**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would replace section 167.645, RSMo 2000 Supp., which forbids promoting any public school student reading at more than one grade level below the student's grade level, with a reading assessment and remediation program.

Methods of reading assessment would be determined by each school district. Unless a student had been determined to reading at grade level or above, each school district would administer a reading assessment to each student within 45 days of the end of the third-grade year. This assessment would also be required for students entering grades 4, 5 or 6 unless the student would be determined to be reading at grade level or above.

Beginning with the school year 2002-2003, for each student whose third-grade reading assessment determines that such student is reading below the second-grade level, the school district would design a reading improvement plan for the student's fourth-grade year. Students receiving a reading improvement plan would be given another reading assessment, to be administered within 45 days of the end of the student's fourth-grade year. If the student reads below the third-grade level, the student would be required to attend summer school. At the end of summer school, another reading assessment would be given. If the student reads below the third-grade level, the district would provide a reading improvement plan for the fifth-grade year. This process would be repeated as necessary through the end of the sixth grade.

Each school district would be required to offer summer school reading instruction to any student with a reading improvement plan. Districts could fulfill the requirement in cooperation with neighboring districts.

The proposal contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not  
DESCRIPTION (continued)

require additional capital improvements or rental space. The proposal would not affect Total

State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "e" at the end.

Jeanne Jarrett, CPA  
Director  
January 8, 2001